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THE WEEKLY OF
BUSINESS AVIATION™

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BEECH AIRCRAFT officials were overwhelmed by job seekers a week ago when the company held a "Job Fair" to attract applicants for 200 production line positions. Estimates of the turnout ranged from 2,000-4,000 people, many of whom showed up hours before the event was due to begin. Most of the applicants were from the Wichita area, but some came from as far away as Tulsa and Oklahoma City. Beech had to turn away most of the crowd, but did manage to interview 418 applicants that day and is processing another 100 applications.

U.S. COURT OF APPEALS in Boston has been asked to reconsider its previous decision to consolidate two cases involving Massport's PACE Plan. The court previously agreed to hear consolidated oral arguments on appeals of a District Court decision that upheld the PACE Plan and a DOT Law Judge decision that the PACE Plan was illegal. General aviation interests want the Appeals Court to rule first on the DOT decision, which, if upheld, could make moot the lower court decision.

DOT SECRETARY Samuel Skinner said while he is not a proponent of mixing aircraft at large airports, Massport's PACE Plan is not a viable program because there is no suitable reliever to serve general aviation. Responding to Rep. Bob Carr (D-Mich.), who said he did not want to see general aviation characterized as the "stepchild of aviation," Skinner said the best solution would be to "avoid the mix, without discrimination."

DISCUSSIONS of an independent FAA have been fueled by poor past relationships between the agency and DOT, Skinner said. Testifying before the House appropriations subcommittee on transportation, Skinner said "you don't fix relationships with reorganization" and emphasized his intention to establish good working relationships with all of DOT's modal administrators.

VALUES OF USED JETS JUMPED 20 PERCENT DURING THE PAST YEAR

Values of used aircraft increased by wide margins during 1988, according to a study released by the Aircraft Bluebook, with the Learjet 35A topping a list of 30 aircraft models analyzed, increasing from $1.5 million in the spring of 1988 to $2.1 million this year, or an increase of 38.7 percent. Bluebook attributed the increases to the decline in new aircraft production and substantial increases in used aircraft exports. According to Commerce Department figures, there were 912 used aircraft exported during 1987. During the first 11 months of 1988 used aircraft exports totaled 1,486 units.

Using the average retail price of 1980 model aircraft, the Bluebook noted that in the jet market, prices rose from an average of $2.1 million in 1988 to $2.5 million in 1989, or an increase of 20.8 percent. The British Aerospace HS-700A registered the smallest gain, 13.4 percent. Beech King Air 200, increasing from $840,000 to $1.08 million, topped the list of turboprops, which increased from $589,000 to $680,000, or 15.4 percent. Multi-engine piston market increased only an average of 4.7 percent, from $141,900 to $148,600. Single engine pistons went from $53,500 to $58,000 or 8.3 percent.

The Bluebook also noted a "steady increase" in FAA registrations or changes of ownership. Jet registrations from 1987 to 1988 increased by 52.4 percent, from 866 to 1,320. Turboprop activity increased by 41.6 percent from 1,181 to 1,672; multi-engine piston went from 4,386 to 5,540 and single pistons increased 13.5 percent, from 27,555 to 31,268. Charts detailing average value and FAA registrations are reprinted on the back of Pages 66-67.

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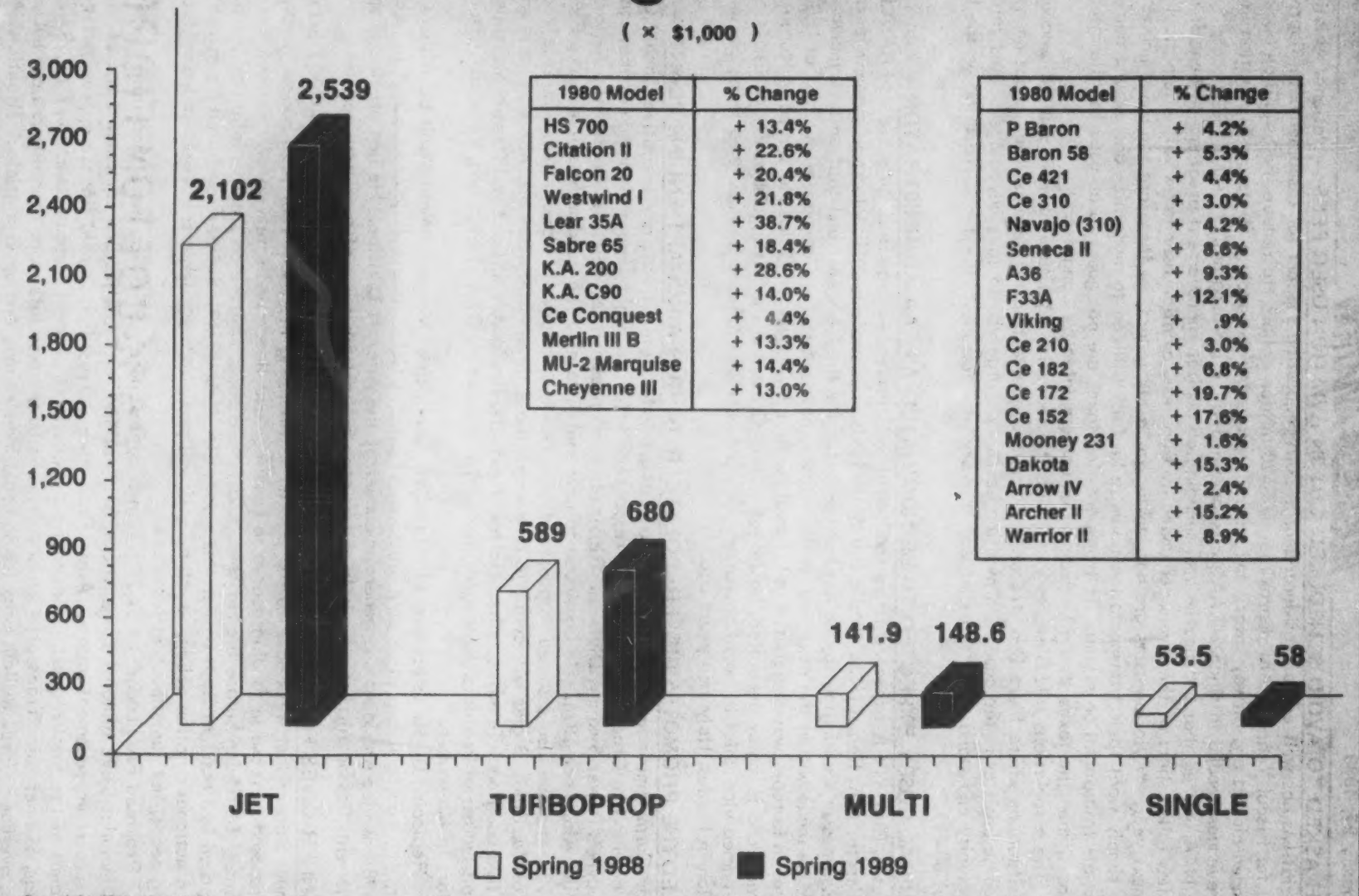
Average Value

(× $1,000)



1980 Model	% Change
HS 700	+ 13.4%
Citation II	+ 22.6%
Falcon 20	+ 20.4%
Westwind I	+ 21.8%
Lear 35A	+ 38.7%
Sabre 65	+ 18.4%
K.A. 200	+ 28.6%
K.A. C90	+ 14.0%
Ce Conquest	+ 4.4%
Merlin III B	+ 13.3%
MU-2 Marquise	+ 14.4%
Cheyenne III	+ 13.0%

1980 Model	% Change
P Baron	+ 4.2%
Baron 58	+ 5.3%
Ce 421	+ 4.4%
Ce 310	+ 3.0%
Navajo (310)	+ 4.2%
Seneca II	+ 8.6%
A36	+ 9.3%
F33A	+ 12.1%
Viking	+ .9%
Ce 210	+ 3.0%
Ce 182	+ 6.8%
Ce 172	+ 19.7%
Ce 152	+ 17.6%
Mooney 231	+ 1.6%
Dakota	+ 15.3%
Arrow IV	+ 2.4%
Archer II	+ 15.2%
Warrior II	+ 8.9%

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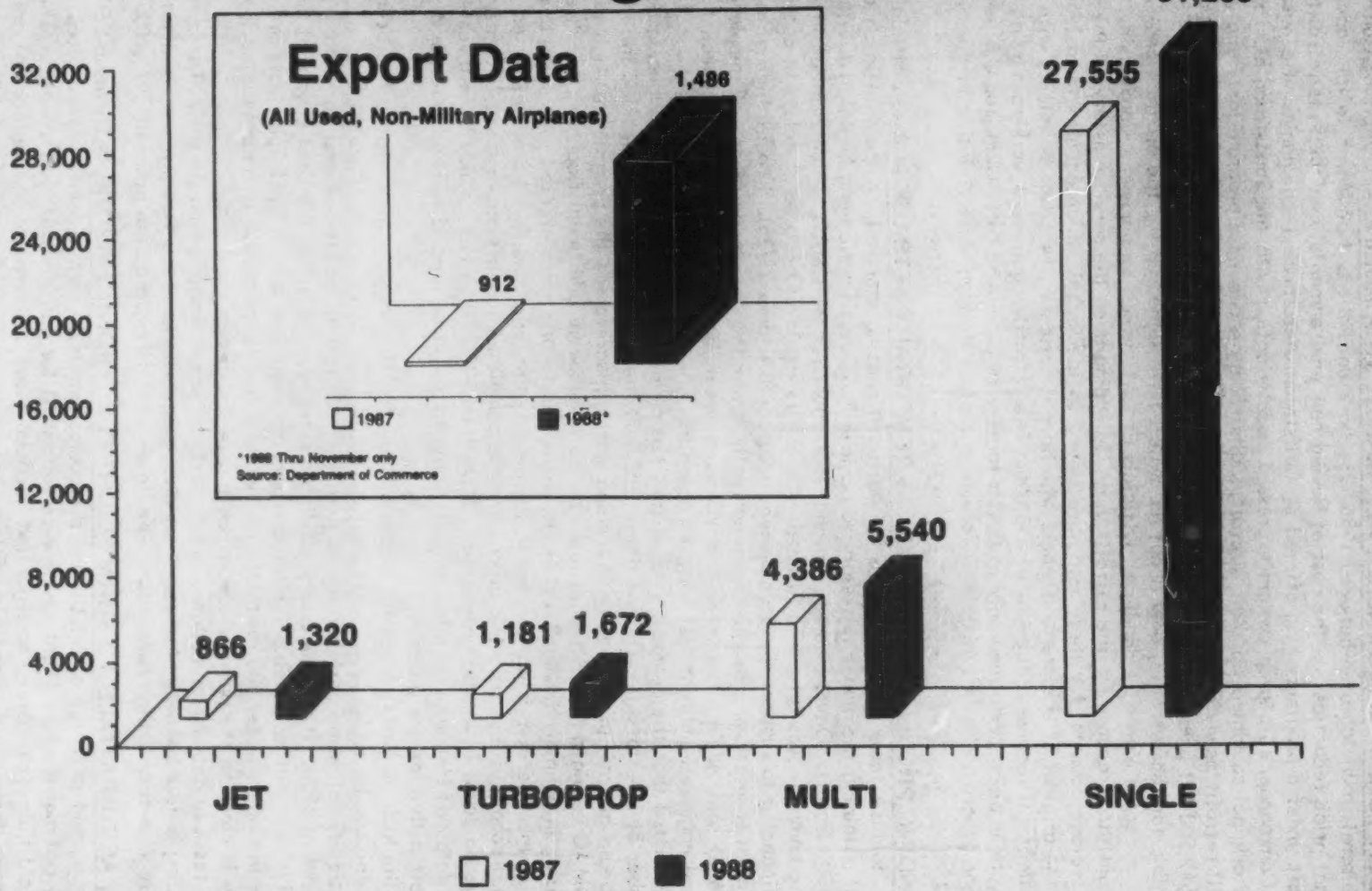
FAA Registrations



Export Data

(All Used, Non-Military Airplanes)

*1988 Thru November only
Source: Department of Commerce

Data compiled by Insured Aircraft Title Service
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BUSINESS AVIATION BRIEFS

OFFICE OF TECHNOLOGY ASSESSMENT, in a report issued Friday, said Congress "should consider extending" the deadline for installation of Traffic Alert and Collision Avoidance Systems (TCAS). Legislation passed by the 100th Congress requires installation of TCAS units on most large commercial passenger aircraft by the end of 1991. OTA, which is an arm of Congress, said an extension of that deadline should be considered because of airline resource limitations, economic inequities, and international problems that complicate the current deadline.

* * *

SUNDSTRAND STALL WARNING COMPUTERS installed in Gulfstream IV aircraft must be replaced within 14 days according to a priority letter airworthiness directive issued by FAA. The agency said Gulfstream detected a manufacturing defect in the computers during testing that can cause an inadvertent pusher activation during takeoff and landing rotation when the pressure altitude is below sea level. Until the stall warning computers, P/N 965-0041-034, are replaced with -036 units, the aircraft are prohibited from operating at airfields with a pressure altitude below sea level.

* * *

BFM AEROSPACE CORP. and Grabil Aerospace Industries, Ltd. have signed a letter of intent under which BFM will acquire Grabil. Terms of the agreement between the two privately held companies were not disclosed. Both firms are engaged in design and manufacture of engineered components and subsystems for aerospace and defense markets. Combined sales of the companies are expected to exceed $30 million in 1989.

* * *

CESSNA AIRCRAFT COMPANY reported sales of $453.7 million in 1988, down less than one percent from 1987, but operating earnings soared, from $7.7 million in 1987 to $24.9 million last year.

* * *

UNITED PARCEL SERVICE plans to construct a West Coast air hub facility at the Ontario, Calif. Airport. The $68 million facility, expected to be a full capacity by 1995, will employ 1,450 people and permit the carrier to double the number of flights currently serving the region.

* * *

SWEDISH GOVERNMENT has ordered an executive version of the new Saab 340B for use by Sweden's royal family. Interior will be configured for up to 21 passengers.

* * *

ARTIST'S SKETCH of the Gulfjet, the new light business jet being developed by Gulfstream Aerospace, Williams International, Swearingen Engineering and Rolls-Royce, is shown on back of Page 70.

* * *

LITTON'S PRECISION GEAR DIVISION received an $84.2 million contract for production of gears and transmission housings for Army CH-47D Chinook helicopters by Boeing Helicopters. The three-year contract is for 144 shipsets plus spares.

* * *

FEDERAL PROSECUTORS intend to seek $5 million in fines against Rockwell International for overcharging the Air Force on a satellite contract, the government said in its sentencing report filed last week with the U.S. District court in Los Angeles. Rockwell pleaded guilty last month to conspiracy and contempt charges in a case involving contracts to build satellites for the Air Force's Navstar Global Positioning System (GPS).

* * *

AIRPORT AND AIRWAY TRUST FUND had a balance of $11.8 billion at the end of December, the latest period for which figures are available (see Treasury Department chart on back of Page 71).

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AIRPORT AND AIRWAY TRUST FUND
Status As Of Dec. 30, 1988

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 11,277,981,264.99	$ 11,120,172,502.40
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	147,783,000.00	160,708,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	138,000.00	588,000.00
2. Non-commercial 9 cents tax	-928,000.00	4,579,000.00
3. Non-commercial 3 cents tax	-295,000.00	1,479,000.00
4. Transp by air,seats,berths,etc.	304,324,000.00	770,235,000.00
Use of international trav fac	8,915,000.00	25,051,000.00
Transp of property and cargo	18,834,000.00	47,384,000.00
Total Tax Receipts	476,771,000.00	1,010,024,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	0.00
2. Any liquid fuel except gas	0.00	80,019,470.00
3. Gasoline -Retailer's tax	0.00	2,540.00
4. Gasoline -Manufac. tax	0.00	0.00
Total Reimburse For Tax Refunds	0.00	80,022,010.00
Net Tax Receipts	476,771,000.00	930,001,990.00
C. Interest on Investments	459,924,448.47	474,731,231.60
Net Receipts	936,695,448.47	1,404,733,221.60
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	117,829,975.00	117,829,950.00
2. Grants-in-aid for airports	134,504,582.29	285,606,012.09
3. Facilities & equipment	67,535,719.93	198,417,948.72
4. Research engineering & development	12,661,096.36	40,906,472.31
B. NOAA weather services	7,179,250.00	7,179,250.00
C. Interest on Refund of Taxes	0.00	0.00
Total Expenditures	339,710,623.58	649,939,634.12
IV. BALANCE - END OF PERIOD	11,874,966,089.88	11,874,966,089.88

STATEMENT OF FINANCIAL CONDITION

ASSETS :		
Undisbursed Balances:		$
Airport & Airway Trust Fund	1,755.39	
Operations	4,285,499.41	
Grants-in-aid for Airports	-65,782.77	
Facilities & Equipment	1,184,424.09	
Research Engineering & Development	6,561,193.76	
NOAA weather services	0.00	
		$ 11,967,089.88
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
8-5/8% maturing June 30, 1989	$ 10,405,291,000.00	
8-3/4% maturing June 30, 1989	1,457,708,000.00	
		11,862,999,000.00
Total Assets		11,874,966,089.88
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 11,874,966,089.88
Total Liabilities and Equity		11,874,966,089.88

Treasury Department Chart